

DIRECTORATE OF INTELLIGENCE

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JORDAN: Implementation of the Cairo agreement is proceeding, but slowly.

Jordan's information minister stated Saturday that the Jordanian Army, already moved outside the capital, is beginning to return to its pre-crisis positions. He indicated that the fedayeen militia, estimated at 25,000 men, would not be required to withdraw from Amman, although they were being "asked" to surrender their arms to their own organizations for safekeeping outside the capital. Some 6,500 people now being detained by the government are to be released, he said. The fedayeen are not to have everything their own way, however. Charging that "Marxist" political parties--specifically certain extremist fedayeen groups--had exploited the commando movement to work against the regime, the minister warned that the government would use force against the fedayeen organizations if they resume "political action" in Amman.

Although the army is complying with the truce agreement, the fedayeen are apparently digging in their heels. One Jordanian general said flatly that "the fedayeen are still here in Amman. They are off the streets or unarmed but they are still here." Observers in Amman suspect that the fedayeen who have in fact withdrawn are simply those who live in other areas of Jordan.

The army may be meeting the fedayeen more than half way, but it does not intend to relinquish all control over fedayeen activity. It plans to man all checkpoints on roads into the city and to intercept arms shipments. Amman police expect to conduct a house-to-house search for arms under the auspices of the Arab reconciliation committee; all arms found will be placed under army control.

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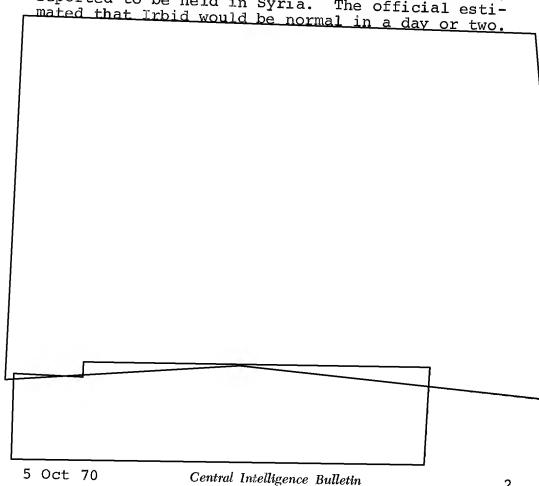
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Press reports indicate that the fedayeen still have the run of Irbid. A cease-fire observer has admitted that his committee does not have the force to disarm the fedayeen, but they have been asked not to "roam around" with their weapons and are said to be complying. The deputy commander of the truce supervisory force believes that the commission is into the second stage of the agreement, moving fedayeen from Irbid to a collection point and then to their ultimate deployment. The government, he said, has already released most of its prisoners in the north, and the fedayeen have given assurances that they will release theirs—which would presumably include the mayor and police chief of Irbid, reported to be held in Syria. The official estimated that Irbid would be normal in a device of the material in a dev

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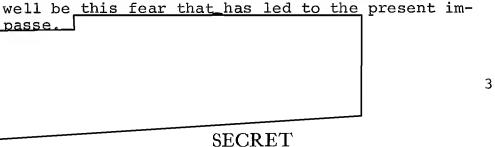
BOLIVIA: The effort of dissident army officers to force President Ovando out of office is faltering, but the situation remains unresolved.

Army commander General Miranda and a relatively small group of middle- and junior-level officers bent on ousting Ovando appear to be blockaded inside military headquarters in La Paz. Early yesterday the group issued a communiqué demanding President Ovando's resignation, but the move has failed to attract the full support of the armed forces. The President was out of the capital when the action began, but his supporters in La Paz reacted quickly to solidify support for Ovando in the air force and in loyal army units.

General Miranda claimed that he had the support of the majority of the strategic army units in the La Paz area and throughout the country, but by nightfall this support had failed to materialize. Meanwhile, the 500-man presidential guard had declared its intention to fight "to the death" for Ovando, and air force planes were buzzing military headquarters.

Ovando returned to La Paz yesterday evening after consolidating his support in Cochabamba, Bolivia's second city. In a short speech he defended his administration and assured the nation that he would continue to direct its destiny. He referred to the rebelling officers as seditious, but failed to indicate what action he planned to take.

Neither side in what so far has been little more than a war of words has demonstrated any real strength. The President appears to have the upper hand, but the Miranda group is continuing to hold out and may still succeed in calling forth some solid support. General Miranda has backed down in the past, however, when it appeared that the removal of Ovando might result in civil war; it may well be this fear that has led to the present im-



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COMMUNIST CHINA - JAPAN: Over-all trade is expected to top the \$800-million mark this year, according to Japanese trade sources.

Trade has increased steadily in the last two years mainly because of China's gradual recovery from the disruptive effects of the Cultural Revolution and because of the attractiveness of Japan-particularly in terms of cost advantage--as a source of much-needed commodities. Last year's trade of \$625 million matched the level reached in 1966 before the downturn began. The Japanese attribute this year's increase specifically to larger Chinese purchases of machinery, iron and steel, and fertilizer.

China's exports to Japan--for the most part agricultural products--remain about the same, according to the Japanese. The balance of trade, therefore, has become even more heavily favorable for Japan; for the first eight months of this year, for example, Japanese exports to China totaled \$391.6 million--an increase of 90 percent over the similar period for 1969--while Chinese exports to Japan amounted to \$150.8 million--down about \$1 million from the same period last year.

The dramatic rise in Japanese exports to China is added evidence of Peking's increased dependence on Japanese products primarily for capital construction and to help improve agricultural output. Furthermore, the increase in trade shows that Peking is not currently willing to allow political considerations to obstruct the necessity of its trade relations with Japan. Sensing this, Japanese businessmen are no doubt more confident that Chinese political ploys, which are supposedly designed to govern Japanese trade with China, are by and large unlikely to reverse the current favorable trend.

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ROMANIA-USSR: A new long-term bilateral agreement commits Moscow to greatly expand iron ore exports to Romania and Bucharest to invest in Soviet mineral extraction.

The agreement, which supplements the five-year plan coordination protocol just concluded, calls for an exchange of goods totaling almost \$2 billion between 1972 and 1990. This is the first time the Romanians have agreed to invest in Soviet raw material extraction, a policy which Moscow has successfully pressed on many of its East European allies. Romania also will increase its shipments of machinery and consumer goods in payment for the iron ore.

Romania has actively been seeking secure sources for its growing iron ore import needs, particularly for the giant Galati steel complex. Bucharest probably also sees this type of bilateral cooperation as serving its interest better than the alternative of a multilateral arrangement under CEMA auspices.

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YUGOSLAVIA-BULGARIA: Ruffled relations between the two countries have caused Belgrade to decide on the withdrawal of Yugoslav-Macedonian students now in Bulgaria.

This decision, which involves only a handful of students, was made at a meeting of the Macedonian Republic party central committee on 29 September. It is the latest reflection of Belgrade's irritation with Sofia over what it considers to be unfounded Bulgarian claims to the Yugoslav Republic of Macedonia. The dispute has flared on a number of occasions this year and earlier delayed the signing of three normally routine agreements between Yugoslavia and Bulgaria on trade, communications, and border traffic. At that time Belgrade insisted that its copies of the documents be in Madedonian, a language Sofia does not officially recognize.

Bulgarian Premier Todor Zhivkov has twice in the last year asked President Tito for a face-to-face meeting, presumably to discuss the issue. The Yugoslavs, however, are reluctant to agree until Bulgaria officially recognizes the existence of the Macedonians as a people distinct from Bulgarians. The announcement of the Macedonian decision to withdraw the students undoubtedly reflects the tenor of Tito's letter answering Zhivkov, delivered on 19 September.

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#### NOTE

WEST GERMANY - CZECHOSLOVAKIA: Technical talks preparatory to higher level negotiations on improving relations are now scheduled to begin in Prague in mid-October. Earlier, Bonn had wanted to put off talking with Prague until after the next round in Bonn's talks with the Poles, slated for about the same period, but the Czechs are eager to begin substantive negotiations as soon as possible. The major issue to be resolved is the status of the 1938 Munich agreement, which Prague declares was void from the beginning. The Germans have been reluctant to go this far

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